

October 2006

DLB-06-10

**Subject: Updated Guidance on Making Borrower Payments**

Dear Partner:

This bulletin updates and summarizes the correct process for making a borrower payment (i.e., returning funds at the borrower's request *more than 120 days after disbursement*) by sending a check to the Direct Loan Servicing Center's (DLSC's) Payment Center. As a reminder, if you are returning funds at a borrower's request *within 120 days of disbursement*, or are returning funds *at any time* in order to comply with a statutory or regulatory requirement, you should make the appropriate adjustment to the borrower's loan record or records and follow the process for making a refund of cash as updated in DLB-06-09.

To ensure the most accurate and timely processing of a borrower payment, please follow these guidelines:

- Mail a check for the amount of the borrower-returned funds to the DLSC's Payment Center at:

U.S. Department of Education  
Attention: Payment Center  
P.O. Box 530260  
Atlanta, GA 30353-0260

- Include a completed Direct Loan Payment to Borrower Account form with your check. A revised Direct Loan Payment to Borrower Account form is attached to this bulletin and should be used for this purpose. We also recommend that you note the borrower's name, the loan ID, and the loan amount being returned on the check itself.

If you have any questions about this bulletin or returning funds at the borrower's request *more than 120 days after disbursement*, contact the COD School Relations Center at 800/848-0978 or e-mail [CODSupport@acs-inc.com](mailto:CODSupport@acs-inc.com).

Thank you for your ongoing partnership in the Direct Loan Program.

Sincerely,

Bill Leith  
General Manager, Program Operations Channel